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high water

a floodplain management newsletter

Volume 42

April 1991

Snowpack Low So Far For 1991

The Montana moisture outlook for 1991 looks good and bad. It's good in the sense that the flood potential appears to be low for most of the state. But it's bad in terms of runoff and the potential to replenish water storage.

Mountain snowpack conditions deteriorated over most of the state during February as a result of below average to well below average snow accumulations and above average temperatures. Mountain snowpacks are now below average to well below average over much of the state except northwestern Montana, where near average to much above average snowpacks remain. Table 1 lists snowpacks for various river basins, while the map shows snowwater equivalents across Montana.

This article was summarized from the Soil Conservation Service's March 1, 1991—Montana Water Supply Outlook Report, Bozeman, Montana, March 1991.

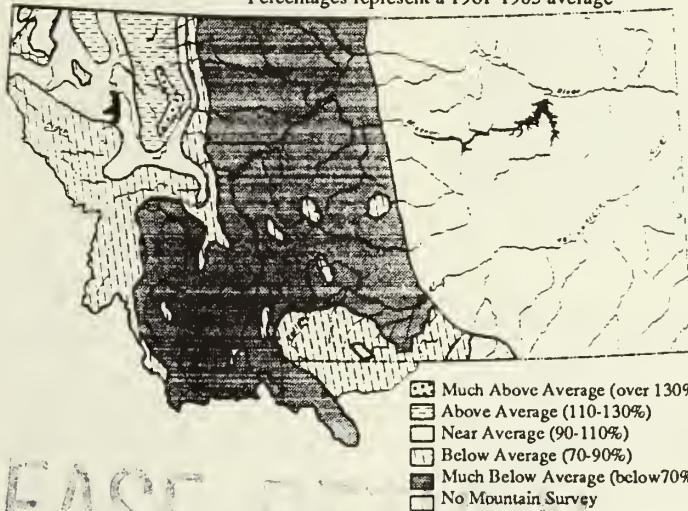
Table 1
Snowpack as of March 1, 1991

River Basin	Snowpack as a Percentage of 1961-1985	Average
Kootenai and Flathead	90-100	Percent
Upper Clark Fork	60-70	Percent
Blackfoot and Lower Clark Fork	85-95	Percent
Bitterroot	70-80	Percent
Headwaters of the Sun, Teton, Marias, Milk, and St. Mary	115-135	Percent
Big Hole, Beaverhead, Ruby, and Boulder	55-65	Percent
Madison, Gallatin, Smith, Judith, and Musselshell	65-75	Percent
Upper Yellowstone	70-80	Percent
Lower Yellowstone tributaries in Wyoming	80-100	Percent

MOUNTAIN SNOWWATER EQUIVALENT FOR MONTANA

MARCH 1, 1991

Percentages represent a 1961-1985 average



PLEASE RETURN

The NFIP: Should Your Community Participate?

Do you live, have property, or plan to build within a floodplain? If so, you probably have a number of questions, such as: Is it beneficial for my community to be enrolled in the National Flood Insurance Program (NFIP)? Am I required to obtain flood insurance even though I feel I don't need it? Can a person get flood insurance even if the community in which he or she lives is not enrolled in the NFIP? What will happen if I build a house or structure within the floodplain that is in violation of the floodplain rules and regulations? We feel you'll be able to answer these common questions after reading this article.

The Framework of Federal Laws

To begin finding the answers, take a quick look at two pieces of federal legislation.

1. **The National Flood Insurance Act of 1968** established the National Flood Insurance Program. The purpose of the NFIP is twofold: (1) to provide the general public with the opportunity to obtain insurance to cover flood damage to buildings and their contents, and (2) to reduce future flood damage by requiring the local regulation of new development in flood-prone areas.

The availability of flood insurance is contingent upon a community's participation in the NFIP. To participate, a community must enact regulations to control

development activities within identified floodplain areas. Local regulations must meet or exceed minimum NFIP requirements. Flood-prone areas are identified on maps provided to communities by the Federal Insurance Administration (FIA). Referred to as "Special Flood Hazard Areas," these areas represent the extent of inundation that can be expected from a 100-year flood or base flood. Local regulations must ensure that all new and substantially improved buildings are protected to at least the level of the 100-year flood.

2. **The Flood Disaster Protection Act of 1973** prohibits federal agencies, such as the Federal Housing Authority (FHA), Veterans Administration (VA), and Small Business Administration (SBA), from making or guaranteeing a loan secured by a building in a Special Flood Hazard Area unless flood insurance has been purchased. The prohibition applies in all communities identified by the Federal Emergency Management Agency as having Special Flood Hazard Areas, including those communities that are not participating in the NFIP. Flood insurance cannot be purchased for buildings or contents in nonparticipating communities.

The requirement to purchase flood insurance does not apply to conventional loans from federally regulated lenders when the community in which the building is located is not participating in the

NFIP. In these cases, the lending institution is required to notify the borrower that, in the event of a flood-related, presidentially declared disaster, federal disaster assistance will not be available for the permanent repair or restoration of the building. Federally regulated or insured lending institutions are required in all cases to notify the borrower when the building being used to secure a loan is in a Special Flood Hazard Area.

Reasons to Participate

Now, what are some reasons to participate in the NFIP?

The most serious and wide-ranging natural hazard is flooding. In fact, flooding is involved in 70 to 80 percent of the natural disasters that occur in the United States. With this high incidence of flood occurrences, it would seem wise to obtain flood insurance. But, flood insurance is available only if a person's community or county is enrolled in the National Flood Insurance Program.

The NFIP is a way to lessen the hardships in the event of a flood. It is a quick and economical way for a community to offer its citizens protection through flood insurance. Participation in the NFIP will promote long-term public health, safety, and general welfare while minimizing public and private losses due to floods.

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NFIP participation is voluntary, so the community itself can decide whether to participate. We feel there are sound economical and political reasons for participating in the NFIP.

Consequences of Nonparticipation

On the other hand, these are the effects of not participating.

1. Flood insurance will no longer be available. No resident will be able to purchase a flood insurance policy or renew an existing policy.
2. No federal grants or loans may be made for buildings in identified flood hazard areas. Funding from all federal agencies, such as the Farmers Home Administration (FmHA), SBA, and FHA, is included.
3. No federal disaster assistance will be provided for structures in identified flood hazard areas following flood disasters.
4. No federal mortgage insurance may be provided in identified flood hazard areas. This prohibition applies to FHA, VA, FmHA, and all other federal agencies.
5. Conventional loans (nonfederal or private sources of funding) are allowed, at the discretion of the lending institution, on real property in FIA-identified flood hazard areas. However, the lender must

comply with both of the following conditions.

- The lender must notify the buyer or lessee that the property is in a flood hazard area.
- The lender must notify the buyer or lessee that the property in the flood hazard area is not eligible for federal disaster relief in a declared flood disaster.

6. Actuarial rates become effective after a flood insurance study has been completed, regardless of whether a community participates in the program. The lack of a local ordinance might allow unwise new construction that in the future might become unsellable due to prohibitive insurance rates. Such a condition would be triggered by a community's re-entry into the program after the construction is completed. A community could decide to re-establish its eligibility for reasons like the following.
 - A new legislative body or changed inclination of such a body
 - A larger share of the mortgage market through FHA, VA, and FmHA
 - A change in local attitude
7. The local governing body may be liable for damages caused by flooding. Because it is not participating in the program, the local governing body:
 - Renders its citizens ineligible to purchase flood and related water-damage insurance
 - Does not reduce the risk to life and property from flooding,

although authoritative scientific and technological data exist to assist communities in managing flood-prone areas. (Up to now there have been no court findings or rulings addressing this aspect of nonparticipation.)

Violations

If a violation has been identified within the floodplain, it is in the best interest of the violator, as well as the community and its residents, to correct the situation in order not to jeopardize the other residents. A number of consequences can occur if the violation isn't corrected, and some of these could be detrimental to the community and its standing with the NFIP.

Conclusion

You've learned the advantages of participating in the NFIP, and you've heard some of the disadvantages of not participating. Now, sit back and imagine the hardships that may result if a flood occurs while your community is not enrolled in the NFIP. Have you reached your decision?

Any questions or comments may be directed to Karl Christians or Gary Fischer, Floodplain Management Section, DNRC, Helena.

Portions of this article were taken from the Texas Water Commission's "The Choice is Yours: NFIP: Yes or No?", Floodplain Management, Vol. 9, No. 30, Winter 1991.

Community Rating System

If you are the local floodplain administrator, you are probably asking yourself whether the gigantic Community Rating System (CRS) application book is at all possible to complete. And, if you do get it completed, how will it help your floodplain program? We hope that, after reading this article, you will understand the concept of the CRS a little better and see how your community can benefit from this program.

The National Flood Insurance Program (NFIP) was established by the National Flood Insurance Act of 1968, as noted in the article in this newsletter entitled "The NFIP: Should Your Community Participate?" Then, with the passage of the Flood Disaster Protection Act of 1973 described in the same article, it became all the more important to have flood insurance available to the public. The NFIP has been successful in requiring new structures to be protected from flood damage. However, the program had few incentives for communities to do more than enforce the minimum regulatory standards. Flood insurance rates have been the same in all participating communities, even though some communities do much more than regulate the construction of new buildings to the program's minimum standards.

With this in mind, the Federal Insurance Administration (FIA) began implementing the CRS to recognize community activities to reduce flood damage to new and existing buildings, to help insurance agents obtain flood data, and to help people obtain flood insurance. CRS is also an incentive for

Table 2
CRS Activities

Category	Activity	Maximum Credit Points
Public information	Elevation certificate	140
	Map determinations	140
	Outreach projects	175
	Hazard disclosure	80
	Flood protection library	25
	Flood protection assistance	66
Mapping and regulatory	Additional flood data	247
	Open space preservation	450
	Higher regulatory standards	445
	Flood data maintenance	125
Flood damage reduction	Stormwater management	331
	Repetitive loss projects	800
	Acquisition and relocation	1,600
	Retrofitting	1,400
Flood preparedness	Drainage system maintenance	375
	Flood warning program	205
	Levee safety	120
	Dam safety	95

Table 3
Community Classifications

Class	Total Credit Points for Activities	Premium Reduction
1	4,501+	45 Percent
2	4,001-4,500	40 Percent
3	3,501-4,000	35 Percent
4	3,001-3,500	30 Percent
5	2,501-3,000	25 Percent
6	2,001-2,500	20 Percent
7	1,501-2,000	15 Percent
8	1,001-1,500	10 Percent
9	501-1,000	5 Percent
10	0-500	0 Percent

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other communities to incorporate methods of flood awareness and flood protection.

Under the CRS, flood insurance premium credits can be earned by a community for activities that reduce flood losses or increase the number of insurance policies. Table 2 lists 18 activities under the CRS, along with the maximum number of points possible for each activity.

The flood insurance premium credit for a community is based on its CRS classification. There are 10 classes, with a Class 10 community having no premium credit and a Class 1 community having the highest credit (see Table 3). A community's classification is based on the number of credit points calculated for the activities that have been undertaken to promote the awareness of flood insurance.

A community is automatically in Class 10 unless it applies for a CRS classification and shows that the activities that are being implemented earn enough credit points to put it into a higher class. If the community's application shows that it is implementing enough activities, then it is designated a Class 9 community. A higher classification is possible after a CRS specialist visits the community, verifies its activities to earn 500 or more credit points, and recalculates its credit points.

The classifications, qualifying credit points, and resulting flood insurance premium reductions may be revised from year to year by the Federal Insurance Administration based

on experience gained in measuring the impact of the activities.

This system recognizes those communities that are doing more to protect their residents from flood losses than the minimum requirements for NFIP participation. The system also provides an incentive for communities to initiate new flood protection activities.

The Floodplain Section of the Department of Natural Resources and Conservation (DNRC) is proposing to conduct CRS workshops within a few months. We anticipate holding the workshops in Missoula and Billings. The purposes of these workshops will

be to convey a better understanding of what is required to complete the application and to answer any questions that people have about the program. You will be made aware of the types of activities creditable under the CRS, how to apply for CRS credits, and who to contact to receive technical assistance pertaining to the CRS program.

All communities participating in the NFIP will be notified at a later date as to the date, time, and place of these workshops. If you feel you would be unable to make it to Missoula or Billings, we would appreciate suggestions of other general locations for a workshop. We would appreciate your suggestions as soon as possible so that we may organize the workshops in the very near future.

Application Calendar

1. **December 15, 1991**—Applications and modifications are due at the Regional Office of the Federal Emergency Management Agency (FEMA).
2. **February 1, 1992**—Comments are due from state and regional agencies in response to the Notice of Application or modifications.
3. **July 1, 1992**—The FIA advises communities that applied in 1990 if there are enough points for them to be designated Class 1-8. Communities that applied in 1991 are told if they are designated Class 9. During the next 12 months, a CRS specialist will visit the community to determine its verified CRS classification.
4. **October 1, 1992**—Premium rates for new and renewed flood insurance policies effective after this date reflect the community's verified CRS classification.
5. **December 15, 1992**—Applications and modifications are due at the FEMA Regional Office. (The annual application, review, and verification cycle is repeated.)
6. **July 1, 1993**—The FIA advises communities that applied in 1991 if there are enough points for them to be designated Class 1-8. Communities that applied in 1992 are told if they are designated Class 9.
7. **October 1, 1993**—Premium rates for new and renewed flood insurance policies effective after this date reflect the community's verified CRS classification.

Portions of this article were taken from the Idaho Department of Water Resources's "What is CRS?", The Idaho Waterlog, Issue No. 33, December 1990.

NEW DEADLINE FOR FLOODPLAIN ORDINANCE UPDATE

For communities in the National Flood Insurance Program (NFIP) whose model ordinance is based on both the *Administrative Rules of Montana* and the NFIP requirements, the adoption deadline for the revised model ordinance has been changed to June 15, 1991. The new deadline was set by the Board of Natural Resources and Conservation (BNRC) during its April 10-12, 1991, meeting. The deadline is in response to the late changes identified by the DNRC for the model ordinance that was sent to local commu-

nities. The old deadline was March 5, 1991. A letter has been sent to all communities that have not yet adopted their new ordinances notifying them of the change.

If the new deadline is not met, any floodplain development permit applied for in the community after June 15 must be directed to the DNRC Floodplain Section in Helena. From there, the Floodplain Section is required to direct the permit to the Board of Natural Resources and Conservation for final

approval. In other words, the local floodplain administrator will not have authority to approve a floodplain development permit until their new ordinance is adopted. Until then, the permit must go through the lengthy process of getting approval by the BNRC.

Also, if the new ordinance is not adopted by the new date, it may jeopardize your community's standing with the National Flood Insurance Program. We therefore strongly encourage communities to adopt their new ordinances promptly.

BEETLE BAILEY



by MORT WALKER

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**Floodplain Management Section
Montana Department of Natural
Resources and Conservation**

**1520 East Sixth Avenue
Helena, MT 59620-2301**

Floodplain Management Section Staff:

Gary Fischer, Supervisor

Karl Christians, Community Assistance
Program Manager

Phone: (406) 444-6646/6654/6655